

**MINUTES**  
**MICHIGAN STATE TRANSPORTATION COMMISSION MEETING**  
**October 28, 2004**  
**Lansing, Michigan**

Meeting noticed in accordance with Open Meetings Act, Public Act 267 of 1976.

Present:                Ted Wahby, Chairman  
                             Betty Jean Awrey, Vice Chairwoman  
                             John Garside, Commissioner  
                             Robert Bender, Commissioner  
                             Linda Miller Atkinson, Commissioner  
                             Vincent J. Brennan, Commissioner

Also Present:        Gloria J. Jeff, Director  
                             Kirk Steudle, Chief Deputy Director  
                             Larry Tibbits, Chief Operations Officer  
                             Frank E. Kelley, Commission Advisor  
                             Marneta Griffin, Executive Assistant  
                             Jerry Jones, Commission Auditor  
                             Patrick Isom, Assistant Attorney General  
                             John Friend, Bureau Director, Highway Delivery  
                             Myron Frierson, Bureau Director, Finance and Administration  
                             Ron DeCook, Director, Office of Governmental Affairs  
                             John Polasek, Bureau Director, Highway Development  
                             Polly Kent, Administrator, Intermodal Policy Division  
                             Susan Mortel, Bureau Director, Transportation Planning  
                             Carmine Palombo, Chairman, Transportation Asset Management Council

A list of those people who attended the meeting is attached to the official minutes.

Chairman Wahby called the meeting to order at 9:06 a.m. in the Bureau of Aeronautics Auditorium in Lansing, Michigan.

**I.        COMMISSION BUSINESS**

Commission Minutes

Chairman entertained a motion for approval of the minutes of the State Transportation Commission meeting of September 30, 2004.

Moved by Commissioner Garside, with support from Commissioner Awrey, to approve the minutes of the Commission meeting of September 30, 2004. MOTION CARRIED.

II. **DIRECTOR'S REPORT – DIRECTOR GLORIA J. JEFF**

Director Jeff's PowerPoint presentation focused on the following areas:

**2004 Winter Maintenance:**

Winter Maintenance is performed annually at MDOT garages to ensure winter vehicles and equipment are in optimal condition prior to the onset of winter. The 2004 Winter Preparedness Inspections are scheduled between October 12<sup>th</sup> and November 5<sup>th</sup> at 28 locations. The county overview of winter maintenance performed includes 64 contract counties; in the remaining 19 counties MDOT does that work directly, utilizing 33 MDOT garages and 305 winter plow trucks (the trucks acquired over the last two years are equipped with GPS making it easier to detect the pavement as opposed to wandering off the right-of-way during storm conditions).

**Community Partnerships:**

Southbelt Shuffle (Grand Rapids area): promotion of the Paul Henry non-motorized trail; celebrate health and fitness along with the Governor's Health and Fitness Council; preview of the M-6 Freeway before it is open for traffic.

Adopt-A-Highway: received national recognition. News articles appeared in USA Today and the local press. It was started in 1990; now averaging 15,000 people participating in any given pickup; 2,568 groups were involved during 2004; MDOT honored 232 groups who have participated since the program's inception.

**Project Completions:**

M-115/US-10BR (City of Clare)—joint project between MDOT and the City utilizing enhancement dollars as an effort to make sure that the downtown revitalization occurred.

M-25 and M-142 (City of Harbor Beach)—a 1.4 mile project that extended through the city limits and provided an opportunity to utilize enhancement dollars to improve the streetscapes (bricked sidewalks, light treatments, curb and gutter work, etc.)

M-65 Reconstruction Project (Iosco County)—work included reconstruction and realignment of nearly two miles of roadway, drainage improvements and a new 760 ft bridge over the AuSable River.

**Border Crossing Policy:**

Over the last six months there has been ongoing discussion about the need for a border policy. The proposed language would indicate a need to make sure that we have adequate capacity to facilitate and improve seamless movement of people and goods; protect, upgrade facilities working with public and private partners to provide appropriate redundancy; study needs, use technology to adapt to changes; enhance cooperation with all stakeholders; collaborate closely and proactively with partners; secure more federal funding; work to improve border inspection process to facilitate movement of low-risk passengers and cargo.

This policy has been discussed amongst the Commission, gone through public comment, and discussed with the Governor's office. Next steps involve the Commission's adoption of the border crossing policy; MDOT staff will utilize the policy in the update of the State Long Range Transportation Plan and border related activities.

Director Jeff asked for questions; none were forthcoming.

Chairman Wahby entertained a motion for the adoption of the Border Crossing Policy. Motion was made by Commissioner Awrey and supported by Commissioner Bender to adopt the Border Crossing Policy. The motion carried on a unanimous voice vote.

### III. **OVERSIGHT**

#### Commission/State Administrative Board Contracts/Agreements (Exhibit A) – Myron Frierson

Exhibit A lists agreements for the Commissions' approval. Mr. Frierson asked if any member of the Commission had questions on the contracts before them.

None were forthcoming.

Mr. Frierson asked for approval of Exhibit A.

Chairman Wahby entertained a motion. Motion was made by Commissioner Bender, supported by Commissioner Garside to approve Exhibit A. Motion carried on a unanimous voice vote.

#### Bid Letting Pre-Approvals (Exhibit A-1) – Myron Frierson

Mr. Frierson gave a brief re-cap of the October bid letting activities. Letting was on track with what was done in 2003. There were \$36 million in state jobs (60 projects). The target figure for 2005 is \$899 million in construction activity for state trunkline. For the November letting the department anticipates \$51 million in projects.

Mr. Frierson asked for questions; none were forthcoming.

Mr. Frierson asked for pre-approval of the bid items for the November letting in Exhibit A-1.

Chairman Wahby entertained a motion. Motion was made by Commissioner Awrey to approve the November bid letting. Motion supported by Commissioner Atkinson and carried on a unanimous voice vote.

#### Letting Exceptions Agenda (Exhibit A-2) – John Polasek

Mr. Polasek reported on five items; four were over 20% of the engineer's estimate. Two of the five lack a bid history, making it difficult to estimate them. The others needed to have more complete information giving the details of the project from project managers. This is something that is being looked into so that the estimator can come to a more accurate figure.

Mr. Polasek asked for questions; none were forthcoming.

Mr. Polasek asked the Commission for approval of Exhibit A-2.

Chairman Wahby entertained a motion. Motion was made by Commissioner Brennan to approve Exhibit A-2. Motion supported by Commissioner Awrey and carried on a unanimous voice vote.

Contract Adjustments (Exhibit B) – John Friend

Mr. Friend reported on three MDOT projects—one being the Capitol Loop that was discussed at the September meeting. Most notably is Item 2004-77 (Nevada Street in Detroit), where the mobile crane went through the temporary supports on the highway. This budget amount is to pay the contractor to do the repairs. We will be aggressively pursuing cost recovery through the insurance carrier for this.

Director Jeff interjected that the Nevada Street project is the exact same location where they recently evacuated due to a train derailment. Time was lost due to this derailment and the subsequent chemical leak that occurred.

Mr. Friend asked for questions.

Commissioner Brennan asked if Item 2004-78 was also included in the request for approval.

Mr. Friend answered yes, and explained that this is a local agency project, 98% over budget. The City ran into a number of utility issues that they were not aware of; a number of those issues involved their own public lighting department. Through negotiations with our staff in the Metro Region, we are using this as a contract vehicle to pay the contractors—a large amount of this overrun is going to be paid for as a 100% City of Detroit funding.

Commissioner Brennan asked if the movement of the utilities was the biggest cause of this overrun.

Mr. Friend stated that the word he received from the project staff was that this was the primary issue, and when the utilities had to be moved they probably were not moved as fast as we would have liked. The contractor got involved in a situation where he had a lot of equipment on the site. By contract language, when the contractor is not able to work, a price has to be paid for “idle equipment”.

No other questions were forthcoming.

Mr. Friend asked the Commission for approval of Exhibit B.

Chairman Wahby entertained a motion for the approval of Exhibit B. Motion was made by Commissioner Brennan and supported by Commissioner Awrey to approve Exhibit B. The motion carried on a unanimous voice vote.

Six Month Internal Audit Follow-up (Exhibit C) – Jerry Jones

Mr. Jones stated that this report on the outstanding internal audits reflect nine additional recommendations that have been closed since the last follow-up. As also shown in the report, the department closed out two additional audits, leaving us with portions of four audit reports outstanding.

Mr. Jones called on Commissioner Awrey for her response.

Commissioner Awrey stated that she has reviewed the audit follow-up reports, discussed them with the Commission Auditor, and moved to accept the reports in Exhibit C.

Chairman Wahby asked for support. Support was given by Commissioner Garside. Motion carried on a unanimous voice vote.

IV. **PRESENTATIONS**

2005 State Transportation Meeting Schedule – Frank E. Kelley

Mr. Kelley stated that these dates have been set for next year, and if no objections, asked for approval.

Chairman Wahby entertained a motion for approval of the 2005 Meeting Schedule. It was moved by Commissioner Bender, with support from Commissioner Awrey to approve the 2005 schedule as submitted. The motion carried on a unanimous voice vote. Meeting schedule is attached.

Asset Management Council Report – Carmine Palombo, Chairman

Mr. Palombo reported that the Council continues to focus on an education program to bring the local units of government, County Road Associations, counties and others up to speed on the Asset Management Program. They have made presentations at annual meetings of Michigan Association of Regions (MAR) and the Michigan Municipal League (MML). The Council worked in conjunction with the MML to develop a brochure to distribute to cities in order to provide a better understanding of the principles of asset management.

The MAR recognized Mr. Rick Lilly for his fine job of leading them into developing Asset Management Programs for the cities. Mr. Palombo and Deputy Director, Kirk Steudle, participated in the AASHTO Transportation Research Board Peer Exchange, which was held in Washington, D.C. This effort involved bringing in representatives from twenty to thirty states and documenting their status of asset management. Michigan is way ahead of the curve compared to other states that were represented.

Mr. Palombo further reported that the law requires us to begin collecting data on the entire 120,000 mile system in the state. In order to understand the challenges this will provide, the TAMC has contacted the County Road Association along with the MML and told them that we are accepting pilot studies that they would like to put forward to help us understand the kinds of costs and administrative issues we will have to deal with in going from collecting data on a 43,000 mile system to the entire 120,000 system. Some have

been received and they anticipate that over the next month more will come in.

During his report a few months ago the Council reported that they had begun collecting data on the 43,000 mile system for this year. As of Monday, October 25<sup>th</sup>, data on about 32,000 miles (75%) of the system had been collected. They instituted a number of changes in their process after last years' effort and talking to a lot of the areas. These changes have provided for a smoother collection process this year.

A Vendor Fair will be held November 8-10, 2004 at the RAM Center in Higgins Lake. Consultants have been invited to present state-of-the-art software packages that are being used.

Mr. Palombo informed the Commission that terms of four council members will expire by December. At the November 18<sup>th</sup> meeting they will bring appointments before the Commission for approval.

Mr. Palombo asked for questions; none were forthcoming.

#### Fiscal Year 2004 Letting Statistics – Myron Frierson

Mr. Frierson gave a brief PowerPoint presentation on the MDOT construction contracting activities during fiscal year 2004.

#### **Bid Lettings:**

During fiscal year 2004, MDOT took bids in 19 lettings on a total of 852 projects, 448 of which were for work on state trunklines, 347 were for local projects, 53 were for aeronautics projects, and 4 were Multi-Modal (UPTRAN) rail projects. The total dollar value of all projects let was \$1,040,400,000 billion. State trunkline work was \$733 million, while local projects equated to \$272.7 million, UPTRAN projects were \$5.7 million, and aeronautics work totaled \$29 million. The 852 projects worth \$1,040,400,000 for fiscal year 2003-2004 compare with 894 projects worth \$1,112,800,000 let in fiscal year 2002-2003. The department received 4,196 bids from 314 different bidders for the 852 projects let in fiscal year 2003-2004.

Commissioner Brennan asked if closer attention should be paid to the evident trend shown in the charts (see specifically chart #5—“Percent of Projects 10% Over Engineer’s Estimate”).

Mr. Frierson stated that, especially in the last year, we have had some volatility in materials crisis' that is hard to incorporate in the estimates. Also, as mentioned by Mr. Polasek, trying to get more information regarding field conditions and putting that into the estimates, there is an area for process improvement. These are 7% of the over 400 state projects. Additionally in looking at the dollar impact, if you look at the entire program, we are still, and consistently remain, below engineer's estimate.

Director Jeff interjected that, as Mr. Polasek had indicated during his presentation, we are beginning to utilize new methodologies and materials in order to better deliver and extend the life. So indeed we don't have as much experience in predicting what the cost should be because these are new materials. This is a good thing because if we kept using

the same materials, we would get engineering estimates that are better, but we would not be progressing in delivering our product.

**Bid Rejections:**

The department rejected all bids on 23 of the 852 projects let. Additionally, low bids were rejected on five projects, of which four were appealed to the department. One was denied and three were overturned. Typically in recent years since going to electronic bidding, we are finding that the low bids are being rejected due to lack of an authorized signature.

**Design of State Projects:**

Over the last three years, based upon the dollar amount of the projects let, 59.1% (in fiscal year 2004) of our state projects were designed by outside consultants and 40.9% were designed by MDOT. In terms of the actual number of projects MDOT staff designs the smaller dollar amount projects (75.23%).

**Pre-qualified Contractors:**

The pre-qualification is an annual process where the contractors' financial statement, work experience and staff are evaluated. A numerical rating and work classification is assigned to the contractor. There were 653 pre-qualified construction contractors with the department at the end of fiscal year 2003-2004 of which 208 worked on projects as prime contractors. Ten contractors were low bidders on approximately 60% of the projects let and awarded.

**Projects by Region—Total Dollars :**

The bulk of our work was in the Metro Region (\$401,442,682.15 million-39%); Bay Region (\$156,148,703.59 million-15%); University Region (\$131,563,642.46 million—13%); Grand Region (\$100,516,944.42 million—10%); Southwest Region (\$97,878,583.51 million—9%); North Region (\$88,009,524.69 million—8%); and Superior Region (\$60,691,197 million—6%).

Director Jeff stated that, as a preview to talking about pavement conditions and the Preserve First Program, when you look at where the investment was in the top three regions, they represent the top three in having the worst roads in the state.

**Projects by Region—Number of Projects:**

Metro (159—18%); Bay (138—16%); University (128—15%); North (127—14%); Grand (120—14%); Southwest (117—13%); Superior (90—10%).

**Contractor Payments:**

The department processed 11,761 biweekly pay estimates for contractor payments totaling \$1,075,200,000 during fiscal year 2003-2004.

**Process Improvements:**

In dealing with the 653 contractors, the department developed a contract status webpage; posted project warranty information on contract services center website; eliminated the Need for Duplicate Bonds on projects with multiple warranties; implemented the Electronic Submittal of the 1300EZ, Statement of Current Contracts and Subcontracts

form, and the Bid Request form; implemented Mandatory Electronic Bidding on Projects over \$1 million (beginning January 2005 it will be mandatory across the board); looking at Electronic Distribution of Proposals and Plans pilot projects for November.

Mr. Frierson asked for questions; none were forthcoming. There is no action required.

Pavement Condition Descriptors Status Report – Robert Ranck, Manager, Bay City TSC  
Director Jeff stated that this is a reflection of some work that the department has been doing with the Commission in terms of gauging public acceptance/attitudes towards the condition of our system.

**Background:**

Similar presentation was given to the Commission in November, 2003 regarding progress towards the 98/85 Goal. They talked about the current forecasting tool—Road Quality Forecasting System (RQFS), which was used to develop strategies and forecast using improvements on a system percentage basis. Discussion was also had regarding how the logic was updated to reflect more realistic outputs.

**Key Issues:**

The basis of RQFS is Remaining Service Life (RSL). RSL is how long a pavement has in years of life before major rehabilitation or reconstruction is needed. It is a good technical measure for cost effective investments, which we need to evaluate long term needs and investment strategies. However it is may not be so good of a measure for relating to public perception of road conditions. Goals (95% good on freeways, 85% good on non-freeways) were derived by combining “good” and “fair” categories. What this really means is 5% “poor”, not 95% “good”. Given these issues, even if we achieve the goals as we have defined them, would the public agree? What is the perception of a poor pavement by the typical motorist?

**Actions to Date:**

MDOT formed a multi-disciplinary team of MDOT experts to develop a more “customer friendly” descriptor of pavement condition. The mission was to “identify and develop a Pavement Condition Customer Descriptor (measure) that MDOT can use in developing its’ pavement program, which reflects Michigan’s citizens’ and travelers’ perception of the trunkline pavement condition; use this measure to report pavement condition to the public, legislature, and stakeholders in our Five Year Program.

Researched what other states do, especially states with similar systems and climates that have historical high condition ratings. Most use some sort of Ride Quality, or IRI (International Roughness Index) measurements to report pavement condition. Few use Ride Quality as a major selection criteria to select candidate projects.

MDOT conducted an Internal Survey through our Office of Communications. We asked MDOT staff who has frequent contact with the public to document the nature of phone calls, etc. The survey results of 84 staff yielded three top categories of questions from the public: 1) how road construction will affect their travel (project limits, timeframes, lane restrictions, detours, etc.); 2) why MDOT is or is not doing work in certain locations; 3) potholes, damage claims, and reporting problems with signing, etc. The highest



percentage of staff getting questions #1 at least once per month was 58%, and 29% got this question at least once a week. Question #2 was 29% and 7%; question #3 was 13% and 5%.

Follow-up will be done with an External Survey by FHWA along with MDOT participation. It includes sampling of Michigan with some additional sampling focused on Southeast Michigan. Data will be collected on a wide range of transportation issues, including customer priorities and perceptions of pavement condition. Results are expected in 2005.

The Team has considered these various models/concepts to better describe road condition: International Roughness Index (IRI) - reported and used by all states; some combination of Pavement Distress & Ride Quality; Remaining Service Life (RSL). More information will be provided as a result of the FHWA Survey.

**Next Steps:**

Explore using International Roughness Index (IRI) as a performance factor, evaluate the results of the FHWA Survey (expected in 2005), collect the appropriate data to evaluate the customer perception, and recommend a Pavement Condition Descriptor to the Commission based on customer input.

Mr. Ranck asked for questions.

Commissioner Atkinson asked about the difference between the ride quality index and the roughness index.

Mr. Ranck stated that both of them measure about the same thing. He deferred to Dan Sokolnicki, MDOT Construction and Technology Pavement Management, for further clarification.

Mr. Sokolnicki answered that they are similar in giving indication of roadway roughness, but there is a difference. IRI provides an objective indication of how a standardized passenger vehicle suspension system would respond to a pavement surface profile. MDOT has its own ride measurement - Ride Quality Index (RQI) - which was developed back in the 70's. RQI was created based on subjective rider surveys of varying road roughness levels and, therefore, gives indication of subjective rider comfort in relation to a pavement surface profile. There are other ride measurement indices in use nationwide that take rider subjective comfort level into account.

No other questions were forthcoming.

V. **PUBLIC COMMENTS**

Chairman Wahby asked if anyone wanted to address the Commission; none were forthcoming.

Chairman Wahby asked if any member of the Commission had comments; none were forthcoming.

**ADJOURNMENT**

There being no further business to come before the Commission, the Chairman declared the meeting adjourned at 10:00 a.m.

The next full meeting of the Michigan State Transportation Commission will be held in Grand Rapids, Michigan, on November 18, 2004, commencing at the hour of 9:00 a.m.

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Frank E. Kelley  
Commission Advisor